

The newly issued OMB Circular A-136 is divided into two parts: Part A, “Form and Content of the Performance and Accountability Report (PAR),” and Part B, “Preparing the Financial Report of the United States Government.” The new circular supercedes OMB Bulletin 01-09 and additional OMB memoranda issued since 2001. The circular updates reporting requirements and corrects or clarifies several items formerly addressed in Bulletin 01-09. Many reporting changes required of Circular A-136 are effective immediately (mostly minor formatting changes), with the balance to be implemented in fiscal year (FY) 2006. A summary of Circular A-136 guidance that represents changes from Bulletin 01-09 for FY 2005 is provided below:

**General updates/clarification of guidance in Circular A-136 formerly included in the Bulletin 01-09:**

- Revises the description for General Plant Property and Equipment (PP&E) on the Balance Sheet to include items formally known as “National Defense PP&E” and removes “National Defense PP&E” from Required Supplementary Stewardship Information.
- Revises the definition for intragovernmental and public costs on the Statement of Net Costs to align with Treasury definition: “...exchange transactions made between two reporting entities within the federal government.” This is as opposed to the OMB’s old definition: “...gross revenue or cost of goods and services provided to federal agencies.”
- Clarifies that there are many legitimate reasons for differences between appropriations received on the Statement of Changes in Net Position and on the Statement of Budgetary Resources and provides limited examples. Bulletin 01-09 incorrectly allowed only one reason for these differences, which was for dedicated and earmarked receipts.
- Clarifies that both exchange revenue and nonexchange revenue are reported on the Statement of Custodial Activity in accordance with Statement of Federal Financial Accounting Standard 7, “Accounting for Revenue and Other Financing Sources,” whereas only nonexchange revenue was previously inferred.

**Reporting changes required by Circular A-136 effective for FY 2005 (mostly format changes):**

1. Agency PAR must be presented in a standardized format. **Status:** The PAR will be presented in accordance with the Circular A-136 format.
2. Prior period adjustments for changes in accounting principles (not restated) and prior period adjustments for corrections of errors (restated) must be presented separately on the face of the Statement of Changes in Net Position. **Status:** Segregating prior period adjustments into restated and not restated on the Statement of Changes in Net Position occurred in FY 2004. The line titles will be changed to correspond with Circular A-136 for FY 2005 year-end statements.

Attachment 22: OMB Circular A-136 Summary of Changes

3. Add a subtotal line to the Statement of Changes in Net Position to reflect net change in net position. (TAB 2005-03) **Status:** The subtotal line will be added to the Statement of Changes in Net Position for FY 2005 year-end statements.
4. Modify the Fund Balance With Treasury (FBWT) footnote to include a line for Nonbudgetary FBWT in the Status of Funds Table to facilitate the reconciliation of proprietary Fund Balance with Treasury to budgetary Fund Balance with Treasury. (TAB 2005-04) **Status:** Two new lines will be added to the FBWT note for FY 2005 year-end statements, Nonbudgetary FBWT and Non-FBWT Budgetary, to facilitate reconciliation of proprietary and budgetary FBWT.
5. Delete Statement of Net Cost note for “Gross Cost and Earned Revenue by Budget Functional Classification.” No requirement exists to report by Budget Functional Classification. **Status:** All tables within the Statement of Net Cost footnote will be deleted for FY 2005 year-end statements.
6. Add a note to disclose details related to prior period restatements including the nature of error, reason for restatement, year(s) being restated, financial statements impacted, amounts being restated, and effect of the restatement on the financial statements as a whole. **Status:** As needed, a disclosure for prior period restatements will be added to Note 19, Statement of Changes in Net Position.
7. Add Management Challenges, Improper Payment Information Act Reporting Details, and Other Agency-Specific Statutorily Required Reports to Other Accompanying Information. **Status:** We will report these as Other Accompanying Information in the FY 2005 PAR.